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CESSNA, LAST MAJOR INDEPENDENT OEM, TO BE ACQUIRED BY GD

Cessna Aircraft, the last major independent general aviation manufacturer, will be acquired by General Dynamics Corp. under an agreement announced Friday by the two firms. Acquisition of Cessna by the St. Louis-based defense contractor has been the subject of speculation for nearly two years following GD's purchase of 500,000 shares of Cessna stock in November of 1983 (*BA, Nov. 14, 1983/155*).

GD said it will initiate a tender offer for a minimum of 11.1 million shares of Cessna's stock at \$30 per share, which combined with its initial 500,000 shares would give it 50.1 percent of the slightly more than 20 million shares outstanding. In addition, GD said it has options from Cessna to purchase 11.9 million shares at \$30 per share and has purchased three million shares of a new series of Cessna preferred stock for \$50 million, which carries voting rights with respect to mergers. Cessna's board of directors—of which GD Board Chairman David Lewis is a member—has approved the GD offer and will recommend that Cessna stockholders tender their shares.

GD said Cessna Chairman Russell W. Meyer and President William Van Sant will continue as chairman and president, respectively, of Cessna. In addition, Meyer will be elected an executive vice president of GD and given a seat on the larger company's board of directors.

Price of Cessna stock had ranged from approximately \$16-\$20 per share for a number of months, but began climbing in the last few weeks following Meyer's disclosure that Cessna was "exploring several strategic alternatives including the possibility of forming a partnership or other alliance with another company," (*BA, Sept. 2/1985*). The two firms Friday issued a joint statement that the proposed merger "should bring substantial benefits to both companies in the important areas of aircraft design and engineering as well as improved production efficiencies."

ENGEN: NO TO FSS PRIVATIZATION, YES TO PRIVATE FLIGHT PLAN FILING

Federal Aviation Administrator Donald Engen has decided against any move to privatize the nation's flight service station system, but has indicated he will permit private firms to have access to the FAA computer system to permit direct filing of IFR flight plans. In a general notice to employees, Engen said a study on the feasibility of privatizing the FSS system has been completed. That study was ordered early this year by the Office of Management and Budget (*BA, Feb. 18/49*).

"I have determined, and my recommendation to the Secretary of Transportation will be, that the only viable option is for the FAA to continue to provide flight services to the public and to continue with consolidation and automation of flight service stations." Engen's decision had been expected. He noted when the study was announced that putting all FSS functions in the hands of private enterprise—which would charge pilots a fee for services rendered—could have adverse safety consequences because some pilots might choose not to pay and to fly without obtaining important weather and safety information.

While ruling out privatization of the entire FSS network, Engen said he "will recommend that private companies be permitted access to the FAA system to file IFR flight plans after the necessary requirements are met and NADIN (the National Airspace Data Interchange Network) is operational. In addition, I have directed the responsible FAA organizations to continue to investigate the feasibility of using existing private

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BUSINESS/PERSONAL AIRCRAFT INDUSTRY — AUGUST UNIT SHIPMENTS

		Aug. 85	Cal. Year			Aug. 85	Cal. Year
AEROSPATIALE GENERAL AVIATION							
• Single-Engine				CE-T210	Turbo Centurion	10	36
T89	Tampico	1	3	CE-P210	Pressurized Centurion	2	14
T810	Tobago	6	13	CE-188	AgHusky	0	0
T820	Trinidad	4	27	CE-188	AgTruck	0	0
T821	Trinidad TC	0	1	• Multi-Engine			
R110		0	2	CE-303	Crusader	2	12
R180		0	0	CE-335		0	0
R235		0	0	CE-340		0	5
TOTAL		11	46	CE-402		0	7
BEECH AIRCRAFT CORP.							
• Single-Engine				CE-404	Titan	0	0
BE-77	Skipper	0	0	CE-414	Chancellor	0	1
BE-C23	Sundowner	0	1	CE-421	Golden Eagle	1	1
BE-C24R	Sierra	0	0	CE-208	Caravan I	5	37
BE-F33A	Bonanza	0	14	CE-425	Conquest I	0	18
BE-A36	Bonanza	3	56	CE-441	Conquest II	1	11
BE-V35B	Bonanza	0	0	CE-500	Citation I	0	6
BE-B36TC	Bonanza	0	12	CE-550S/II	Citation II	4	35
• Multi-Engine				CE-650	Citation III	0	15
BE-B55	Baron	0	0	CESSNA/REIMS AVIATION			
BE-E55	Baron	0	1	• Single-Engine			
BE-58	Baron	2	18	CE-F152		3	5
BE-58TC	Baron	0	1	CE-F152	Aerobat	3	5
BE-58P	Baron	0	6	CE-F172	Skyhawk	0	1
BE-76	Duchess	0	4	CE-FR172	Hawk XP	0	0
BE-860	Duke	0	0	CE-F182	Skylane	0	0
BE-C99	Airliner	0	0	CE-F182RG	Skylane RG	0	0
BE-C90-1	King Air	0	22	TOTAL		94	586
BE-F90-1	King Air	0	3	Manufacturers net billing — \$30,270,078			
BE-B100	King Air	0	0	AVIONS-MARCEL DASSAULT			
BE-200	Super King Air	0	20	• Multi-Engine			
BE-200C	Super King Air	0	3	AD-My.10	Falcon	0	0
BE-300	Super King Air	2	29	AD-My.20	Falcon	0	1
BE-200T	Super King Air	0	0	AD-My.200	Falcon	0	6
BE-1900C	Commuter	4	14	AD-My.50	Falcon	0	6
TOTAL		11	204	TOTAL		0	13
Manufacturers net billing — \$16,584,251.66				DEHAVILLAND AIRCRAFT OF CANADA			
BRITISH AEROSPACE				• Multi-Engine			
• Multi-Engine				DHC-5		0	0
BAe	Jetstream 31	3	21	DHC-6	Twin Otter	2	14
HS-748		0	3	DHC-7		0	4
BAe 146-100		2	6	DHC-8		1	6
BAe 146-200		0	5	TOTAL		3	24
HS-125-800	Model A	2	13	EMBRAER			
HS-125-800	Model B	0	2	• Single-Engine			
TOTAL		7	50	EMB-200		0	0
PILATUS BRITTEN-NORMAN LTD.				EMB-201	Ipanema	1	17
• Multi-Engine				EMB-710	Carinca (PA-28-235 Dakota)	0	2
BN-2	Islander	1	7	EMB-711	Corisco (PA-28RT-201 Arrow)	2	10
BN-2T	Islander	0	0	EMB-712	Tupi (PA-28-181 Archer II)	2	5
Mark III	Trislander	0	0	EMB-720	Minuano (PA-32-310 Seratoga)	1	4
TOTAL		1	7	EMB-721	Sertanejo (PA-32R-301 Seratoga)	1	5
CANADAIR LIMITED				• Multi-Engine			
• Multi-Engine				EMB-110	Bandeirante	0	7
CL-600	Challenger	0	0	EMB-120	Brasilia	1	1
CL-601	Challenger	0	3	EMB-121	Xingu	0	2
TOTAL		0	3	EMB-810D	Seneca II	2	26
CESSNA AIRCRAFT CO.				EMB-820	Chieftain	0	1
• Single-Engine				TOTAL		10	80
CE-152		13	78	FAIRCHILD AIRCRAFT CORP.			
CE-A152	Aerobat	1	4	• Multi-Engine			
CE-172	Skyhawk	21	132	Merlin III-C		0	2
CE-172	Cutlass	0	5	Fairchild 30		0	0
CE-172RG	Cutlass	2	9	Merlin IV-C		0	1
CE-182	Skylane	11	54	Metro III		4	7
CE-182	Turbo Skylane	0	0	Expediter		0	4
CE-182RG	Skylane RG	1	11	TOTAL		4	14
CE-182RG	Turbo Skylane RG	2	5	GATES LEARJET			
CE-185	Skywagon	1	15	• Multi-Engine			
CE-U206	Stationair 6	5	32	LR-25G		1	2
CE-TU206	Turbo Stationair 6	4	23	LR-29		0	0
CE-207	Stationair 8	0	0	LR-35A		0	7
CE-TU207	Turbo Stationair 8	0	0	LR-36A		0	0
CE-210	Centurion	2	8	LR-55		0	5
				TOTAL		1	14

		Aug. 85	Cal. Year
GULFSTREAM AEROSPACE			
• Multi-Engine			
GR-1159A	Gulfstream III	0	12
AE-840	Turbo Commander	0	1
AE-900	Commander 900	1	3
AE-380		0	0
AE-1000		3	24
TOTAL		4	40

ISRAEL AIRCRAFT INDUSTRIES

• Multi-Engine			
1124	Westwind 1	*	*
1124A	Westwind 2	*	6
TOTAL		*	6

LAKE AIRCRAFT

• Single-Engine			
LA-4-200EP		0	6
LA-250	Renegade	1	11
TOTAL		1	17

MAULE AIR INC.

• Single-Engine			
M-5-180C		0	22
M-5-200		0	0
M-5-235C	Lunar Rocket	0	1
M-6-235		0	3
M-7-180		4	11
M-7-235	Super Rocket	2	10
MX-7-235		2	10
TOTAL		8	57

Manufacturers net billing — \$397,852

MITSUBISHI

• Multi-Engine			
Solitaire		0	0
Marquise		1	2
Diamond		0	2
Diamond II		0	1
TOTAL		1	5

MOONEY AIRCRAFT CORP.

• Single-Engine			
M-20J	201	5	26
M-20K	231	2	26
TOTAL		7	52

PIPER AIRCRAFT CORP.

• Single-Engine			
PA-38-112	Tomahawk	0	0
PA-28-161	Warrior	5	51
PA-28-181	Archer II	7	62
PA-28-236	Dakota	3	16
PA-28RT-2017	Turbo Arrow IV	1	13
PA-32-301	Saratoga	2	21
PA-32R-301	Saratoga SP	0	7
PA-32R-301T	Turbo Saratoga SP	2	14
PA-46-310P	Malibu	11	73
• Multi-Engine			
PA-31-350	Chieftain	0	6
PA-31P-350	Mojave	0	12
PA-31-500	Cheyenne I	0	1
PA-31-500	Cheyenne IA	0	2
PA-42-720	Cheyenne III	1	1
PA-42-720	Cheyenne IIIA	0	4
PA-42-1000	Cheyenne 400LS	1	14
PA-34-220T	Seneca III	5	40
PA-44-180	Seminole	0	12
PA-44-180T	Turbo Seminole	0	5
PA-700P	Aerostar	0	7
PA-T1020		0	0
PA-T1040		0	1
TOTAL		38	362

Manufacturers net billing — \$7,808,391

SHORT BROTHERS LTD.

• Multi-Engine			
SBJ-CS-7	Skyvan	0	0
SD-3-30		0	1
SD-3-60		2	12
TOTAL		2	13

SINGLE-ENGINE

149 1,007

MULTI-ENGINE

54 586

GRAND-TOTAL

203 1,593

UNIT SHIPMENTS COMPARATIVE TREND: 19 MANUFACTURERS

	August			Calendar Year to Date		
	1985	1984	1983	1985	1984	1983
Aerospatiale	11	*	*	46	*	*
Beech	11	32	38	204	279	276
British Aerospace	7	7	7	50	36	36
Britten-Norman	1	1	0	7	9	8
Canadair	0	1	*	3	15	*
Cessna	94	117	139	586	538	866
Dassault	0	6	5	13	19	22
De Havilland	3	2	0	24	17	9
Embraer	10	6	7	80	67	53
Fairchild	4	3	1	14	15	9
Gates	1	4	2	14	16	21
Gulfstream	4	6	7	40	32	38
Israel	*	1	0	6	7	5
Lake	1	5	2	17	22	16
Maule Aircraft Inc.	8	6	2	57	35	30
Mitsubishi	1	1	3	5	11	23
Mooney	7	16	11	52	87	90
Piper	38	44	42	362	419	443
Short	2	0	4	13	23	24
TOTAL	203	258	270	1,593	1,647	1,970

* Figures not available.